

Statewide Anti-Data Center Policy Framework

Protecting Indiana Communities from Unchecked Data Center Expansion

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Preamble - Executive Summary

The Indiana Coalition for Community Protection (ICCP) is a statewide advocacy organization comprising residents, civic leaders, environmental professionals, and community organizations united by a common purpose: to ensure that the rights, health, and quality of life of Indiana's communities are not sacrificed in the pursuit of unchecked economic development. Founded in response to the accelerating proliferation of large-scale data center facilities across the state, the ICCP has developed this Statewide Anti–Data Center Policy Framework as a comprehensive legislative and regulatory blueprint designed to impose enforceable, meaningful standards on data center operators and to restore genuine representative authority to the communities most directly affected by their presence.

Indiana has, in recent years, emerged as a preferred destination for data center developers drawn by the state's favorable tax incentive structures, available land, and access to substantial electrical grid capacity. This expansion has proceeded with minimal regulatory oversight, leaving thousands of Hoosier families in proximity to facilities that consume extraordinary quantities of water and electricity, generate persistent noise and heat, impose strain on local infrastructure, and were sited with little or no meaningful public input. This framework is addressed to Indiana General Assembly incumbents and candidates, county commissioners, city and town councils, state regulatory agencies, and the broader public. Its purpose is to establish a coherent, enforceable, and equitable policy architecture that places community welfare at the center of data center development decisions in Indiana, and to invite all levels of government and civil society to adopt its principles and recommendations without delay.

Key Objectives of This Framework

This document sets forth six foundational policy principles, seven state legislative recommendations, five local government guidance measures, four regulatory agency directives, and four community enforcement provisions. Together, they constitute a complete, deployable framework for protecting Indiana communities from the unchecked expansion of data center infrastructure.

Section 1 - Background: The Data Center Expansion Crisis in Indiana

1.1 Growth of the Data Center Industry in Indiana

Indiana has experienced a significant and accelerating influx of data center investment over the past decade, a trend that shows no signs of abating as global demand for cloud computing, artificial intelligence infrastructure, and digital storage continues to expand at an unprecedented pace. The state's central geographic position, relatively affordable real estate, access to major transmission lines and interstate fiber networks, and a legislative environment that has historically extended generous tax incentives to data center operators have combined to make Indiana an increasingly prominent destination for hyperscale and co-location data center development.

Indiana's sales tax exemption for data center equipment, available to qualifying facilities making substantial capital investments, has drawn major domestic and international technology firms to establish or expand operations within the state, concentrating development pressure in corridors stretching through central and northern Indiana. Counties such as Boone, Hamilton, and Hendricks have seen particular surges in data center activity, with multi-hundred-acre campuses drawing tens of megawatts of power apiece from regional transmission systems. This growth, while generating capital investment figures that receive favorable attention from state economic development authorities, has occurred largely in the absence of a coherent regulatory framework calibrated to the unique and substantial impacts these facilities impose on host communities.

1.2 Scope of Community Impact

The communities adjacent to data center facilities bear a disproportionate and often invisible burden that aggregate economic statistics do not capture. Large data centers are, by their nature, round-the-clock industrial operations. They draw massive and uninterrupted electrical loads, require substantial water supplies for cooling systems (often drawing millions of gallons per day from local aquifers, municipal systems, or surface water bodies) and generate persistent mechanical noise from cooling towers, backup generators, and HVAC systems that can reach levels inconsistent with rural and suburban residential environments.

Local road networks, originally designed to serve agricultural or low-density residential uses, are subjected to elevated volumes of heavy construction and service vehicle traffic during the development phase and throughout the operational life of a facility. Local electrical grids absorb new and substantial baseline loads that, absent careful planning and grid reinforcement, can compromise reliability for existing residential and commercial ratepayers. The economic benefits most often cited by data center proponents (i.e. tax revenue and employment) tend to be modest in proportion to facility size: Modern hyperscale data centers require relatively few permanent on-site employees and, particularly where tax incentive structures are generous, may contribute far less to local tax revenues than comparable commercial or industrial developments.

1.3 Regulatory Gap

Indiana's existing legal and regulatory framework was not designed with the data center industry's particular profile of impacts in mind. The state's general zoning enabling statutes, environmental permitting processes administered by the Indiana Department of Environmental Management (IDEM), and utility oversight exercised by the Indiana Utility Regulatory Commission (IURC) each address elements of the data center impact landscape in isolation and insufficiently. No state statute currently requires a prospective data center developer to complete a comprehensive community impact assessment as a precondition of permitting. No state agency has a dedicated unit responsible for monitoring data center environmental compliance. No uniform noise, thermal, or electromagnetic emission standards applicable specifically to data center facilities have been promulgated.

Local governments, while possessing zoning authority under Indiana's Home Rule statute, frequently lack the technical expertise, legal resources, and political support necessary to negotiate effectively with well-capitalized data center developers. The result is a permitting environment in which developers operate with substantial practical advantages over the communities they seek to enter, and in which the

regulatory floor, such as it is, provides inadequate protection for public health, environmental quality, or community infrastructure integrity. This regulatory vacuum is not an accident; it is the predictable consequence of a state policy environment that has prioritized attraction of capital investment over protection of community interests.

1.4 The Need for a Unified Statewide Framework

The inadequacy of a patchwork approach to data center regulation in which each county or municipality is left to develop its own ordinances in isolation, often under intense time pressure and with limited resources, has become increasingly evident. Communities that successfully adopt protective local measures risk finding their efforts preempted or undermined by state legislative or administrative action. Communities without the capacity to enact local protections are left entirely exposed. A unified statewide framework, consistently applied, eliminates the competitive disadvantage that accrues to protective communities and establishes a minimum floor of community protection that applies regardless of local political or resource conditions. The ICCP accordingly calls for the adoption of the standards set forth in this document as binding statewide policy, implemented through legislative action by the Indiana General Assembly and through regulatory action by state agencies acting within their existing or expanded authority.

Section 2 - Core Policy Principles

The following six principles constitute the foundational ethical and policy commitments that animate every specific recommendation contained in this framework. They are not aspirational; they are operative. Each legislative and regulatory recommendation set forth in Sections 3 through 6 is designed to give concrete legal effect to one or more of these principles. Decision-makers at every level of government are urged to evaluate proposed data center approvals, permits, and agreements against this principled framework.

2.1 Community Sovereignty

Local governments and the residents they represent must possess genuine, legally enforceable authority over land use decisions that affect the character, environment, and infrastructure of their communities. The ICCP rejects the proposition that the scale of a data center investment, or the economic development

priorities of state government, should override the considered judgment of the communities that will live with a facility's consequences. Community sovereignty means not merely the procedural right to comment, but the substantive authority to impose conditions, to require mitigation, and, where conditions cannot be adequately met, to withhold approval.

2.2 Environmental Accountability

Data centers must meet strict, independently verified environmental standards governing water consumption and withdrawal, stormwater runoff management, waste heat dissipation, greenhouse gas emissions, and the responsible management of hazardous materials including PFAS, refrigerants, and battery backup systems. Environmental accountability requires not merely self-reporting by operators, but third-party monitoring, public disclosure, and enforceable consequences for noncompliance. The environmental costs of data center operations must be fully internalized by the operators who profit from them, not externalized onto surrounding communities and natural systems.

2.3 Energy Transparency

Data centers are among the most energy-intensive commercial facilities in existence. Operators must be required to disclose, on a regular and publicly accessible basis, the full scope of their energy consumption and the precise mix of energy sources supplying their facilities. The ICCP holds that public policy should actively require self-generated renewable power for data center facilities and that the state's permitting structures should reflect this requirement in enforceable terms. Energy transparency is not merely a reporting obligation; it is a precondition for meaningful public and regulatory assessment of a facility's true community and environmental footprint.

2.4 Public Health Protection

The health of residents living in proximity to data center facilities must be protected by enforceable standards governing noise emissions, thermal discharges, electromagnetic fields, PFAS contamination, and air quality impacts from diesel backup generation and refrigerant use. Public health protection requires that applicable standards be established by expert agencies, that compliance be verified through independent monitoring, and that affected residents have accessible legal remedies when standards are violated. The burden of demonstrating that a proposed facility will not harm public health should rest with the applicant, not with the community.

2.5 Economic Fairness

Communities that host data center facilities absorb real and substantial costs (e.g. infrastructure wear and expansion, emergency service demands, environmental burdens, and quality-of-life diminishment) and must receive direct economic benefits commensurate with those burdens. Economic fairness requires not merely the possibility of tax revenue, but binding commitments to local hiring, infrastructure investment, and community mitigation funds. It also requires that state tax incentive structures not be deployed in ways that shift the effective cost of data center development from operators to the general public or to other ratepayers.

2.6 Informed Consent

No data center development of significant scale may legitimately proceed without a full, good-faith public information and comment process, and without the completion and public release of a comprehensive community impact assessment prior to any permitting decision. Informed consent is not satisfied by perfunctory notice-and-comment procedures designed to generate a record rather than to produce genuine deliberation. It requires adequate advance notice, accessible public hearings, translation and accessibility accommodations where necessary, and a demonstrated, documented response by decision-makers to the substance of community concerns.

Section 3 - Legislative Recommendations (State Level)

The ICCP calls upon the Indiana General Assembly to enact the following legislative measures in the next regular legislative session. Each recommendation is presented with sufficient specificity to serve as the basis for bill drafting, and the ICCP stands ready to provide detailed model legislative language to any legislator or legislative staff member upon request.

3.1 Data Center Siting Act

The Indiana General Assembly should enact a Data Center Siting Act establishing a mandatory state-level siting permit for any data center facility exceeding 50,000 square feet of gross floor area or capable of drawing more than 10 megawatts (MW) of electrical power from the grid at peak demand. This permit requirement should be administered by a newly designated interagency siting office drawing upon the

expertise of IDEM, the IURC, the Indiana Department of Health (IDOH), and the Indiana Office of Energy Development.

The siting permit process must include, at minimum, one mandatory public hearing held within the county in which the proposed facility would be located, with at least 90 days of advance public notice, and must require the applicant to demonstrate compliance with all applicable environmental, public health, and community impact standards set forth in this framework. A state siting permit shall be a prerequisite to, not a substitute for, all applicable local zoning and permitting approvals.

3.2 Mandatory Community Impact Assessments

No state siting permit or local zoning approval for a qualifying data center facility shall be issued until the applicant has completed, at its own expense, and publicly filed a comprehensive Community Impact Assessment (CIA). The CIA shall address, at minimum: Projected water consumption and source analysis; projected electrical load and grid integration plan; traffic and transportation infrastructure impacts; noise, vibration, light pollution, and thermal emission profiles; PFAS analysis and contamination mitigation report; air quality and emissions inventory; socioeconomic impacts including effects on property values, local employment, housing, and community character; emergency response capability requirements; and a plan for decommissioning and site remediation at end of facility life.

The CIA shall be prepared by a qualified, independent third party selected from a state-approved registry, and shall not be prepared by a firm with a financial relationship with the applicant. The completed CIA shall be made publicly available for a minimum 60-day comment period before any permitting decision is rendered. Decision-makers shall be required to document their substantive response to public comments in any final permitting decision.

3.3 Water Use Disclosure and Limits

All new or developing data center facilities in Indiana drawing water from any source (e.g. municipal supply, on-site wells, or surface water) shall be required to operate on a closed-loop system and report total water consumption to IDEM on a monthly basis, with such reports made publicly accessible through IDEM's online environmental data portal within 30 days of submission. For facilities located within five miles of a classified waterway, a designated sole-source aquifer, or a municipal wellhead protection area, IDEM shall establish and enforce enforceable daily water withdrawal limits calibrated to protect the long-term sustainability of the relevant water resource. Any water leaving the facility in any form (e.g.

wastewater or evaporation) must be prefiltered to prevent PFAS contamination. All existing data centers shall be required to retrofit their facilities to meet these standards by 2030.

IDEM shall be directed to complete a statewide assessment of data center water consumption impacts within 18 months of the enactment of this legislation, and to revise withdrawal limits as necessary on the basis of that assessment. Facilities that exceed applicable withdrawal limits shall be subject to the civil penalties specified in Section 6.3 of this framework.

3.4 Energy Sourcing Standards

All new or developing data center facilities in Indiana exceeding 10 MW of capacity shall be required to demonstrate, as a condition of receiving a state siting permit, a credible plan to source a minimum of 100 percent of their operational energy from verified renewable sources plus generate an additional 20 percent of their operational energy from verified renewable sources for the direct consumption of their hosting community. Verification shall be accomplished through Renewable Energy Certificates (RECs) issued by a nationally recognized tracking system, direct power purchase agreements with renewable generators, on-site renewable generation, or any combination thereof. All existing data centers shall be required to meet these standards by 2030.

Facilities that fail to meet applicable energy sourcing milestones shall be subject to a renewable energy compliance surcharge established by the IURC, the proceeds of which shall be directed to the Indiana Community Renewable Energy Fund established concurrently by this legislation.

3.5 Noise and Emissions Standards

The Indiana Department of Health (IDOH), in coordination with IDEM, shall be directed to promulgate, within 24 months of enactment, maximum permissible standards for light pollution, PFAS contamination, noise emissions, thermal discharges, electromagnetic field intensity, and diesel exhaust emissions applicable to all data center facilities in Indiana. Standards shall be calibrated to protect the health and quality of life of residents in proximity to data center facilities, and shall distinguish between daytime and nighttime limits for light pollution, noise, and thermal emissions. Facilities operating in violation of applicable standards shall be subject to immediate corrective action orders and the civil penalties specified in Section 6.3 of this framework, with repeat or willful violations subject to enhanced penalties and, in egregious cases, facility shutdown orders.

3.6 Repeal or Reform of Data Center Tax Incentives

Indiana's existing sales tax exemption applicable to data center equipment purchases, currently available to qualifying facilities making capital investments meeting specified thresholds, should be reformed to condition eligibility upon in-state sourcing and full compliance with the community impact, environmental, public health, and energy sourcing standards set forth in this framework. The ICCP calls upon the General Assembly to enact legislation providing that no data center facility shall receive or retain any other state tax exemption or incentive that is not already afforded to all other businesses in Indiana, and may not retain or receive any state tax exemption or incentive unless and until it has obtained all required permits, completed an approved CIA, entered into a binding Community Benefit Agreement with the affected municipality or county, and demonstrated compliance with applicable energy sourcing and environmental standards.

The ICCP further recommends that the General Assembly commission an independent economic analysis of the net fiscal impact to the state and to affected counties of existing data center tax incentive structures, with results published publicly within 12 months, as a basis for further legislative action.

3.7 Community Benefit Agreements

As a condition of receiving a state siting permit, all qualifying data center facilities shall be required to enter into a binding Community Benefit Agreement (CBA) with the municipality or county in which they are located. The CBA shall be negotiated prior to final permit issuance, shall be executed as a legally enforceable contract, and shall specify, at minimum: Commitments to local hiring and workforce training, with measurable targets; infrastructure investment obligations covering roads, utilities, and emergency services as identified in the CIA; the establishment of an annual community mitigation fund, calibrated to facility size and energy consumption, to address ongoing community impacts; provisions for periodic renegotiation as facility operations expand; and remedies available to the municipality or community in the event of operator noncompliance.

The ICCP recommends that the General Assembly establish a standard CBA template and a technical assistance program to assist municipalities and counties, particularly smaller or lower-resource communities, in negotiating effective agreements. CBAs shall be publicly filed with the state siting office and shall be accessible in their entirety through a public online registry.

3.8 Data Center Community Proximity Dividend

The ICCP recommends that the Indiana General Assembly enact legislation establishing a Data Center Community Proximity Dividend. Under this framework, cities, towns, and counties retain the authority to levy local taxes on data center operators; however, no tax revenue collected from data center facilities may be retained by or deposited into any general municipal or county fund. Instead, one hundred percent of all locally collected data center tax revenue must be distributed directly and annually to individual residents of the host jurisdiction, with payment amounts weighted in proportion to each resident's proximity to the data center facility. Residents living nearest to the facility — and thus bearing the greatest burden of its environmental, infrastructural, and quality-of-life impacts — shall receive the highest dividend payments, with amounts scaling down on a defined proximity gradient as established by administrative rule. This approach is modeled on the Alaska Permanent Fund Dividend, through which the State of Alaska distributes a portion of oil and gas revenue directly to its citizens as compensation for the resource extraction occurring on their shared lands. The Proximity Dividend serves a dual purpose: it ensures that the residents who absorb the greatest costs of data center development receive direct and tangible compensation, and it eliminates the fiscal incentive for local governments to invite data center development as a source of municipal revenue, thereby removing a structural bias that has historically caused local officials to minimize or disregard community concerns in exchange for projected tax receipts. Local governments may still choose not to tax data center operators at all; but where they do, the full benefit flows to residents, not to government coffers.

The ICCP recommends that the General Assembly establish a standard CBA template and a technical assistance program to assist municipalities — particularly smaller or lower-resource communities — in negotiating effective agreements. CBAs shall be publicly filed with the state siting office and shall be accessible in their entirety through a public online registry.

Section 4 - Local Government Recommendations

While the ICCP's primary legislative agenda is directed at the Indiana General Assembly, local governments possess immediate authority and the responsibility to act in protection of their communities. The following recommendations are addressed to county commissioners, city councils, town boards, and local

plan commissions throughout Indiana. The ICCP urges all local governments in counties experiencing data center development pressure to adopt these measures without awaiting state legislative action.

4.1 Adopt Protective Zoning Ordinances

Local governments should adopt zoning ordinances that establish clear, protective siting constraints for data center facilities. At minimum, the ICCP recommends that local ordinances prohibit the siting of any data center facility exceeding 10,000 square feet within one mile of any residentially zoned parcel, school, hospital or medical facility, childcare center, public park, or classified waterway, unless the applicant demonstrates (to the satisfaction of the local plan commission and an independent environmental reviewer) that extraordinary mitigation measures will reduce all community impacts to levels equivalent to or below those applicable to non-proximate sites.

Local zoning ordinances should also establish maximum lot coverage, setback, height, and screening requirements for data center facilities, and should require that all outdoor mechanical equipment, including cooling towers and emergency generators, be acoustically shielded to the maximum extent feasible. The ICCP will publish model ordinance language for adoption by local governments and will provide technical assistance upon request.

4.2 Establish Local Data Center Review Boards

Each county or municipality anticipating data center development applications should establish an independent, citizen-staffed Data Center Review Board (DCRB) charged with reviewing all data center permit applications, evaluating CIA submissions, receiving public testimony, and issuing formal written recommendations to the local plan commission and legislative body prior to any permitting decision. DCRB membership should reflect the diversity of the affected community and should include representation from environmental, public health, and infrastructure expertise. Review Board meetings should be open to the public, and all submissions and recommendations should be publicly posted within five business days of receipt or issuance.

4.3 Mandatory Public Hearings

No local zoning approval, conditional use permit, or development agreement for a data center facility exceeding applicable thresholds shall be granted without the conduct of a minimum of two public hearings. The first hearing shall be an informational session at which the applicant presents the proposed project and the completed CIA to the public, with no vote taken. The second hearing shall be a formal evidentiary hearing at which members of the public may submit testimony and evidence. A minimum of

60 days' advance public notice shall be provided for each hearing, through publication in local newspapers of general circulation, direct mail notice to all property owners within one mile of the proposed site, and prominent posting on the local government's website and social media accounts.

4.4 Environmental Monitoring Requirements

As a condition of any local development approval, all qualifying data center facilities shall be required to fund, at their own expense, a comprehensive third-party environmental monitoring program for the full operational life of the facility. The monitoring program shall cover, at minimum, noise levels at the facility boundary and at the nearest residential properties, water quality in nearby surface water and groundwater sources, ambient air quality, and surface and subsurface thermal conditions. Monitoring results shall be submitted to the local government and to IDEM on a quarterly basis and shall be posted publicly on a dedicated webpage maintained by the operator and linked from the local government's website.

4.5 Moratorium Authority

The ICCP affirms that Indiana local governments possess the authority, under existing Indiana Home Rule statutes and the general police powers applicable to zoning and land use regulation, to impose temporary moratoriums on the acceptance or processing of data center permit applications during defined periods of rapid development activity, infrastructure review, or environmental assessment. The ICCP urges any local government experiencing a surge in data center applications, or undertaking a comprehensive review of its data center zoning policies, to exercise this authority proactively. A temporary moratorium of six to twelve months provides the time necessary to adopt comprehensive protective ordinances, establish review boards, and ensure that community interests are fully protected before development proceeds.

Section 5 - Regulatory Agency Recommendations

The ICCP directs the following recommendations to the Indiana Department of Environmental Management (IDEM), the Indiana Utility Regulatory Commission (IURC), the Indiana Department of Health (IDOH), and such other state agencies as possess jurisdiction over aspects of data center operations and impacts. These recommendations may be implemented through existing agency regulatory authority

without requiring new primary legislation, and the ICCP calls upon each agency to act on applicable recommendations within the current fiscal year.

5.1 IDEM - Dedicated Data Center Compliance Unit

IDEM should establish, within its Office of Land Quality or equivalent division, a dedicated Data Center Environmental Compliance Unit (DCECU) staffed by personnel with expertise in industrial water use, PFAS contamination, mechanical noise and thermal emissions, air quality impacts from diesel generation, and hazardous materials management as applicable to data center operations. The DCECU shall be responsible for processing data center environmental permits, conducting and overseeing compliance inspections, receiving and adjudicating community complaints, and maintaining the public data reporting portal for water consumption and environmental monitoring results required by this framework. The ICCP urges the Indiana General Assembly to provide IDEM with the appropriations necessary to staff and sustain the DCECU at a level commensurate with the scale of data center activity in the state.

5.2 IURC - Grid Capacity Adequacy Demonstration

The IURC should exercise its existing authority over electrical utilities to require that, as a precondition of any utility interconnection agreement with a data center facility drawing more than 10 MW at peak demand, the applicable electric utility demonstrate to the IURC's satisfaction that the interconnection can be accommodated without: Degrading grid reliability for existing residential, commercial, or industrial customers; requiring infrastructure investments whose costs will be recovered through general ratepayer rate increases rather than facility-specific interconnection charges; or creating undue concentration of load on transmission or distribution equipment in ways that compromise system resilience. The IURC should further require utilities to report annually on the cumulative load impact of data center interconnections within each service territory, with the report made publicly available. Finally, the IURC will be responsible for ensuring that the host community receives appropriate rate reductions in relation to the 20 percent operational energy surplus mandated in Section 3.4.

5.3 Cumulative Impact Assessments

Where two or more data center facilities are proposed or exist within a five-mile radius of one another, state agencies (acting through the interagency siting office proposed in Section 3.1) shall require a cumulative impact assessment evaluating the combined environmental, water, grid, traffic, and public health impacts of all facilities in proximity. Individual CIA submissions shall not be deemed sufficient to satisfy the cumulative assessment requirement. The cumulative assessment shall be completed before

any new facility within the identified radius may receive a state siting permit, and findings shall be incorporated into the permit conditions for all new and pending applications in the affected area.

5.4 Whistleblower Protections

The Indiana General Assembly, in coordination with IDEM and the Indiana Department of Labor, should enact whistleblower protection provisions specifically applicable to employees and contractors of data center facilities who report suspected violations of environmental, public health, water use, noise, or energy sourcing standards to state or local regulatory authorities. Protections should include prohibition of retaliatory employment actions, a confidential reporting mechanism, and a civil cause of action for retaliation with fee-shifting provisions. Community members, including neighbors and local environmental monitors, who file good-faith complaints with IDEM or other agencies should receive equivalent protections against retaliatory legal action by data center operators.

Section 6 - Community Rights and Enforcement

A policy framework without robust enforcement is merely advisory. The ICCP insists that the legislative and regulatory standards set forth in this document be accompanied by genuine, accessible, and adequately resourced enforcement mechanisms that place real legal power in the hands of affected community members; not only in the hands of state agencies whose attention and resources may be inconsistently applied. The provisions of this section should be treated as integral to the framework and not as optional enhancements.

6.1 Private Right of Action

Indiana state law should be amended to provide an explicit private right of action enabling any individual resident or community organization demonstrably affected by a data center facility's violations of applicable environmental, noise, water, or public health standards to bring a civil action in Indiana state court against the facility operator. The private right of action should authorize courts to award injunctive relief, civil damages, remediation costs, and reasonable attorneys' fees and costs. The ICCP recommends a three-year statute of limitations running from the date of discovery of the violation, with tolling provisions applicable where the operator has actively concealed the violation. The private right of action

should be explicitly stated to be supplemental to, and not in substitution for, administrative remedies available through IDEM or other agencies.

6.2 Citizen Enforcement Provisions

IDEM's complaint intake and response procedures should be revised to include a dedicated intake channel for complaints relating to data center facilities, staffed by personnel with relevant technical expertise. IDEM shall be required by statute to acknowledge receipt of a data center complaint within five business days and to complete a preliminary assessment and provide a substantive written response to the complainant within 30 calendar days of receipt. Where IDEM's preliminary assessment identifies a potential violation, a full investigation shall be initiated within 15 additional days. Complainants who are dissatisfied with IDEM's response shall have an explicit right to administrative appeal and, thereafter, to judicial review. Anonymous complaints shall be accepted and processed, subject to the limitation that remedies available to anonymous complainants shall not include case notifications.

6.3 Penalties and Remediation

The ICCP recommends that the Indiana General Assembly establish a tiered civil penalty structure applicable to violations of data center environmental, noise, water, energy sourcing, and public health standards, structured as follows: Tier 1 violations (minor or first-time, promptly remedied) shall be subject to civil penalties of \$10,000 to \$50,000 per violation per day; Tier 2 violations (significant, repeated, or involving failure to report) shall be subject to civil penalties of \$50,000 to \$250,000 per violation per day; and Tier 3 violations (willful, egregious, or involving documented harm to public health or environmental resources) shall be subject to civil penalties of \$250,000 to \$1,000,000 per violation per day, plus mandatory facility suspension pending remediation. All penalties collected shall be deposited into the Community Environmental Remediation Fund, from which grants shall be made to affected municipalities and community organizations for environmental remediation, public health monitoring, and community benefit programs.

In addition to monetary penalties, operators found to have caused documented environmental damage (including groundwater or PFAS contamination, surface water degradation, or soil thermal damage) shall be required, by administrative order or court judgment, to fund full remediation of the affected resources to pre-impact conditions or the best achievable equivalent, with independent verification of remediation completion.

6.4 Transparency and Reporting

All data center facilities in Indiana exceeding applicable thresholds shall be required to publish, on an annual basis, a comprehensive Community Impact Report covering: Total energy consumption and energy source mix for the prior year; total water consumption by source and month; PFAS analysis and contamination mitigation report; current employment levels including full-time, part-time, and contracted workers, with Indiana residency percentages; noise monitoring results at facility boundary and nearest residential properties; status of compliance with all applicable regulatory standards; status of CBA obligations; and a summary of any complaints received, investigations conducted, and enforcement actions taken during the prior year. The Community Impact Report shall be filed simultaneously with the local government, IDEM, the IURC, and the state siting office, and shall be published on the operator's public website and on the state's public data portal within 30 days of completion.

Section 7 - Coalition Statement and Call to Action

"We urge all Hoosiers who value community well-being, environmental integrity, transparency, and accountability to stand with us."

— *Indiana Coalition for Community Protection, August 2026*

The Indiana Coalition for Community Protection was formed because communities deserve more than the promise of economic development. They deserve clean water. They deserve quiet nights. They deserve roads that can bear the traffic imposed upon them, grids that serve their homes reliably, and the confidence that their elected representatives have the tools and the will to protect them from industrial development that does not meet minimum standards of accountability. Data centers, like any major industrial facility, can be responsible neighbors, but only when the law requires it of them. In the absence of enforceable standards, the historical record in Indiana and across the nation demonstrates clearly that voluntary corporate responsibility is an insufficient safeguard for community health and welfare.

The ICCP hereby calls upon the Indiana General Assembly, in its next regular legislative session, to enact the full suite of legislative recommendations set forth in Section 3 of this framework, including the Data

Center Siting Act, mandatory Community Impact Assessment requirements, water use disclosure and limit legislation, energy sourcing standards, noise and emissions standards, reform of tax incentive structures, and Community Benefit Agreement requirements. These are not radical proposals; they are the minimum standards of accountability that any responsible state owes to the communities within its borders.

The ICCP calls upon county commissioners, city councils, and town boards across Indiana to act immediately, within their existing authority, to adopt the local protective measures set forth in Section 4 of this framework. Communities that are presently receiving data center development applications cannot afford to wait for state legislative action. Protective zoning ordinances, local review boards, mandatory public hearings, and environmental monitoring requirements can be adopted now, under existing law, by any local government with the will to do so.

The ICCP invites all community members, neighborhood associations, civic organizations, environmental groups, faith communities, farmers, and local officials (of whatever political affiliation) who share a commitment to protecting the people and places of Indiana from unchecked industrial development to formally endorse this framework. Endorsing organizations and individuals will be listed on the ICCP's public endorsement registry and will be recognized in the Coalition's communications to the Indiana General Assembly and to the press.

Candidates currently running for legislative office who formally endorse the Indiana Coalition for Community Protection's Statewide Anti–Data Center Policy Framework will receive an official ICCP Endorsement Badge, a digital graphic suitable for display on campaign websites and sharing across social media platforms. The badge signals to voters and community members that the candidate has committed to standing with Indiana communities on data center accountability. Endorsed candidates are encouraged to display this recognition prominently as a demonstration of their support for environmental integrity, community sovereignty, and responsible development across the state of Indiana.

Urgent Call to Action

Data center development applications are being filed, approved, and facilities constructed across Indiana right now, in communities that have not yet enacted the protections this framework describes. Every month of delay is a month in which a community may be locked into a development agreement that does not adequately protect its residents. The time to act is now. Contact your state representative, your county commissioner, and the ICCP to add your voice to this effort.

Appendix A — Glossary of Key Terms

Community Benefit Agreement (CBA): A legally binding contract between a data center developer or operator and an affected municipality or county specifying the operator's commitments with respect to local hiring, infrastructure investment, mitigation funds, and other community benefits as a condition of development approval.

Community Impact Assessment (CIA): A comprehensive written evaluation, prepared by an independent qualified third party at the applicant's expense, of the environmental, infrastructure, public health, and socioeconomic impacts of a proposed data center facility, submitted as a precondition of any permitting decision.

Data Center: A facility, or portion of a facility, whose primary purpose is the housing, operation, and interconnection of computer servers, networking equipment, and data storage systems for the processing, storage, or transmission of electronic data, including hyperscale cloud data centers, co-location facilities, and enterprise data centers.

Data Center Environmental Compliance Unit (DCECU): A proposed dedicated unit within IDEM responsible for overseeing environmental compliance by data center facilities.

Data Center Review Board (DCRB): A proposed independent, citizen-staffed local government body charged with reviewing data center permit applications and issuing recommendations to the local plan commission.

Indiana Department of Environmental Management (IDEM): The principal state agency responsible for environmental regulation, permitting, and enforcement in Indiana.

Indiana Department of Health (IDOH): The state agency responsible for public health regulation and standards.

Indiana Utility Regulatory Commission (IURC): The state agency responsible for regulating public utilities, including electrical distribution companies, in Indiana.

Megawatt (MW): A unit of electrical power equal to one million watts, used in this framework to define threshold capacity levels triggering applicable permitting and regulatory requirements.

Renewable Energy Certificate (REC): A market-based instrument certifying that one megawatt-hour of electricity has been generated from a renewable energy source and fed into the shared electrical grid, used to verify renewable energy sourcing claims.

Appendix B — Summary Table of Legislative Recommendations

Section	Recommendation	Target Body	Priority
3.1	Enact a Data Center Siting Act requiring state-level permits for facilities over 50,000 sq ft or 10 MW, with mandatory public hearings	Indiana General Assembly	Immediate
3.2	Require independent Community Impact Assessments (CIAs) as a precondition of all permits, with 60-day public comment	Indiana General Assembly	Immediate
3.3	Mandate monthly water use disclosure to IDEM; establish enforceable withdrawal limits near waterways and aquifers	Indiana General Assembly / IDEM	Immediate
3.4	Require facilities over 10 MW to source 120% renewable energy and provide the surplus to hosting community.	Indiana General Assembly	Near-Term
3.5	Direct IDOH to promulgate noise, thermal, and electromagnetic emission standards for data centers	Indiana General Assembly / IDOH	Near-Term
3.6	Reform or repeal data center tax exemptions and incentives; condition any persisting exemptions on local sourcing and full compliance with this framework	Indiana General Assembly	Immediate
3.7	Require binding Community Benefit Agreements (CBAs) with municipalities as a condition of all state siting permits	Indiana General Assembly	Immediate
3.8	Data Center Community Proximity Dividend	Indiana General Assembly	Immediate

Section	Recommendation	Target Body	Priority
4.1	Adopt local zoning ordinances prohibiting data centers within 1 mile of residential zones, schools, hospitals, and waterways	County / Municipal Governments	Immediate
4.2	Establish independent, citizen-staffed Local Data Center Review Boards (DCRBs)	County / Municipal Governments	Immediate
4.3	Require minimum two public hearings with 60-day advance notice for qualifying applications	County / Municipal Governments	Immediate
4.4	Require operator-funded third-party environmental monitoring, publicly posted quarterly	County / Municipal Governments	Near-Term
4.5	Affirm and exercise local moratorium authority during rapid development periods or comprehensive review processes	County / Municipal Governments	Immediate
5.1	Establish IDEM Data Center Environmental Compliance Unit (DCECU)	IDEM / General Assembly	Near-Term
5.2	Require IURC to mandate grid capacity adequacy demonstration before data center interconnection	IURC / General Assembly	Near-Term
5.3	Require cumulative impact assessments where multiple data centers are sited in proximity	Interagency Siting Office	Near-Term
5.4	Enact whistleblower protections for employees and community members reporting data center violations	Indiana General Assembly	Near-Term
6.1	Establish a private right of action for affected residents to sue data center operators for documented harm	Indiana General Assembly	Immediate
6.2	Require IDEM to respond substantively to data center complaints within 30 days	IDEM / General Assembly	Immediate
6.3	Establish a tiered civil penalty structure (\$10K–\$1M/day) with remediation fund	Indiana General Assembly	Immediate
6.4	Require annual public Community Impact Reports from all qualifying facilities	Indiana General Assembly / IDEM	Near-Term

Appendix C — About the Indiana Coalition for Community Protection

The Indiana Coalition for Community Protection (ICCP) is a statewide, nonpartisan, nonprofit advocacy organization dedicated to protecting the health, safety, well-being, environmental quality, and representative self-governance of Indiana's communities. The ICCP was founded by a coalition of residents, local elected officials, environmental advocates, public health professionals, and civic leaders who recognized that the rapid expansion of large-scale data center infrastructure across Indiana was outpacing the state's regulatory capacity and threatening the welfare of communities that lacked the resources to respond effectively on their own.

The ICCP's membership encompasses individuals and organizations from across the state, including rural agricultural communities in central Indiana facing data center development pressure on farmland and near water resources; suburban communities confronting noise, traffic, and grid-load concerns; and environmental and civic organizations committed to transparent, accountable, and community-centered land use governance. The Coalition operates through a volunteer-led governance structure and engages in public education, legislative advocacy, community organizing, regulatory comments, and legal support.

The ICCP is not opposed to responsible technology development or to economic growth that genuinely benefits Indiana communities. The Coalition's position is that data centers, like any industrial facility of significant scale and impact, must meet enforceable standards of environmental stewardship, community accountability, and public transparency as a condition of operating in Indiana; and that the state's current regulatory framework falls far short of providing those standards. This policy framework represents the Coalition's most comprehensive articulation to date of what those standards should be, and it is offered in the spirit of constructive engagement with legislators, regulators, local officials, and the public in the shared project of building a better Indiana for all its residents.

For more information or to endorse this framework, contact the Indiana Coalition for Community Protection at contact@indianaccp.org or visit <https://indianaccp.org/>

Indiana Coalition for Community Protection (ICCP) | Statewide Anti–Data Center Policy Framework |
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